In complexion the people vary greatly, some, especially those who work in offices, are very fair, while the African element in the population has produced the opposite colouring. During the past ten years the fashion among the men of Bahrain for wearing partly European dress has developed rapidly, mainly due to the operations of the oil company, where long flowing robes are not only a nuisance but often dangerous. The older men, however, and the members of the Ruling Family still wear the traditional Arab dress which can be seen in its full glory in the picture of H.H. The Ruler. The basic garment is the "thobe," a long shirt fastened up to the neck, above it comes a cloak of brown, white or black wool, with gold braided edges, the "bisht" or "aba". On the head is a small skull cap, not usually visible, over which is a white or coloured headcloth "gutra" held in place by means of a black or white wool ring, called "agal." The last was originally a camel hobble which the bedouin in the desert used to wear on their heads when travelling, removing it when in camp, but today it has lost its original use and is just an article of attire. Members of the Ruling Family, all of whom use the title "Shaikh," wear gold head-rings on formal occasions, while H.H. The Ruler and the senior members of the family wear swords and daggers in gold scabbards.

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The purdah system still exists in Bahrain, although it is gradually being modified, and women are veiled when they appear in public; the more old fashioned wearing black masks concealing the upper part of the face, the younger contenting themselves with veils of black net. Although many women in the towns wear European clothes, nylons and cosmetics, they never appear outside their houses without a voluminious black cloak which covers them from the tops of their heads to the ground. In the country the Baharna women wear a large square shawl, black, blue or sometimes brightly covered, which conceals the clothes they wear. Despite the impression which may have been given by this description of veiling still current in Bahrain, the women of the country are now living a much wider life than formerly. Many girls go to the schools where as well as doing lessons they play games and do gymnastics, and what they learn at school gives them more interests at home when they marry. Family parties are commoner and husbands will now allow themselves to be seen driving with their wives in cars, which some years ago was almost unknown. In many ways the life of the women of Bahrain is improving. However, a fact that visitors to Bahrain should remember is that attempts to take photographs of women are usually strongly resented though the ordinary Arab male is fairly immune to the photographic enthusiasm of visiting Europeans.

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In Bahrain, unlike most other parts of the Arab World, the upper classes of Arab society have retained their traditional dress, while the working classes have adopted shirts and trousers. A result of this is that one should not be surprised if young men dressed in Arab clothes speak excellent English, know much about European history, French cooking and American enterprise, for they have probably been educated at the American University of Beirut or in Egypt or England. The

551 291 177 000

471 The financing of a pearl boat is a complicated affair. Formerly
228 most boats were owned by their captains, but today the majority of the larger boats belong to land merchants. In cases where boats belong to captains but are financed by land merchants, the latter make a profit of about 10%, but in cases where the merchants both own and provision the boats they receive 20% of the profits. After deducting costs, the remainder of the profit is shared in fixed proportions, the nakhuda receiving five parts, the diver two and the Saib one.

437 When the nakhuda sells the catch he must always be accompanied
228 by two members of the crew, to see fair play. Sales are carried out in an unusual way. If the nakhuda and the purchaser or broker do not want the audience to know the amounts offered for the pearls, and as the sales take place in the quarter of the pearl brokers there are always interested bystanders, they spread a cloth over their hands and bargain by a sort of deaf and dumb language. Once they have agreed on the price the nakhuda must obtain the consent of the two witnesses before the sale is considered valid. The value of the pearls is established in
804 a special way. In the case of ordinary pearls, they are collected in
435 great numbers, sorted for size by a set of graded sieves, and each group
228 is weighed and counted and their value in "chows," a form of measurement derived from the weight of the pearls, is discovered from a book printed for the purpose. Once a pearl or pearls have been assessed at so many chows, the question of the value per chow is settled by bargaining, the price per chow depending on the average shape, texture and colour in the case of bunches of pearls or in single pearls. In the case of pairs of pearls their value depends greatly on how well they are matched. Seed pearls, the smallest form of pearls, are sold entirely by weight, while a single pearl has been known to sell for as much as £15,000, as in the case of the Bahrain pearl which was eventually bought by a well known American lady.

228 It is very difficult to estimate the value of the Bahrain catch in past
433 years, the figure for 1833 was estimated at £240,000, £400,000 in 1835 and £303,941 in 1896. In more recent years the Bahrain Government has given official figures which outline the history of the industry during the past quarter of a century. In 1833 it was also said that there were 1,500 boats leaving Bahrain annually for the pearl banks, and in 1896, 900. The largest number of Bahrain pearling boats has been given as 2,000 but this figure is probably an exaggeration. That the industry has declined is proved by the figures, in 1930, 509 boats manned by 19,300 men found pearls worth Rs. 2,125,000, while in 1948 there were only 83 boats with a crew of 2,000 and finding a catch worth Rs. 855,000. Although the numbers of boats and divers decreased by about 6 times and 9 times respectively it is noticeable that the catch only decreased in value by 2½ times and in 1950 the catch was worth Rs. 1,650,000, more than-half of the 1930 figure.

228 The reason for the decline in the industry, which started in 1930,
178 was the severe trade depression which began in that year and which
433 reduced the wealth of those in Europe who were in the habit of buying

pearls, and also the large scale manufacture of cultured pearls in Japan. It was indeed lucky for Bahrain that oil was found in 1932, or else she would have seen her principal industry slowly decline with nothing with which to replace it. Once the oil industry was established, however, it in its turn served to precipitate the decay of the older industry by providing employment with better conditions and higher pay than were to be found on the pearl banks. The decline had also been unwittingly aided by the reforms of the late Ruler, Shaikh Hamed, who, on becoming Deputy Ruler in 1923, found the working conditions of the industry in a shocking state. The pearl banks were productive and much money was being made but little of it went to the divers, many of whom had involved themselves in a form of financial slavery to the nakhudas. Divers were given advances by the captains before the season, to provide for their families while they were away at sea, and at the end of the season, while the sales of the pearls, were being carried out. The eventual result was that the captains gave advances far in excess of the money due to the divers at the end of the season and to repay these loans the divers were forced to work for the same captain in the following season. But each year the advances were again in excess of the divers' earnings and so they got deeper and deeper into debt to the captains. At the same time the latter were indebted to shore merchants for supplies, for which they were charged high rates of interest, although this was contrary to the Sheria Law. The captains passed this interest on to the divers, who thus paid a minimum of 50% of their original debt each year. Diving debts were bequeathed, sons of divers whose fathers died owing money to captains were forced to work for them, and a diver, if he became too old to work, was only released from diving if he was replaced by his son or some other relation. In addition to this, indebted divers were often made to work on land for their creditors, or were handed over as workers to merchants to whom the nakhuda owed money.

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Shaikh Hamed was determined to abolish all these practices and was supported by some of the more progressive Arabs and the Shiite and Sunni judges, who disapproved of the whole system. Amongst the bitterest opponents of the reforms were the divers themselves who were persuaded by the nakhudas and merchants into believing that they were going to lose by them. The reforms were, however, introduced and resulted in fixed advances, the amounts of which were announced annually by proclamation, the restriction of interest on advances, and all advances in excess of the legal amounts to be unreclaimable in court. The divers were also entitled to seek other work on the condition that they repaid a certain proportion of their diving debt each year. Many thousands of debts were reduced and the special diving court, which had favoured the captains and merchants, was abolished and all diving cases were heard by the ordinary courts. Finally, the debts of a diver died with him and could not be inherited by his heirs. The result of these reforms was that the industry, although reduced in size was put on a much sounder footing and its workers were not forced to dive but did so because they wanted to.

228 178 452 185 [698]

1: Belgrave F-3 (no date) 1953 MZ2 Bahrain MZ2

228 The Bahrain Government has tried hard to encourage the diving
656 industry, by the remittance of the registration fees on diving boats,
178 by customs concessions and by other means, but it is certain that the industry will never return to its palmy days when so many of the people of Bahrain were connected with it or depended on it.

228 Visitors to the pearl banks are advised to set out at about midnight
431 from Bahrain. Launches can be hired in Manama or Muharraq and
609 if they leave at twelve midnight, the banks will be reached at two or three in the morning. The remainder of the night can be spent lying at anchor and in the early morning the opening of the shells can be watched, followed by the preparations for the day's work and the actual diving. The divers have no objection to being photographed at their work and welcome foreigners on board their boats, they do, however, appreciate a present from visitors and it is a good plan to take out some fresh dates or other fruit, for the boats, particularly at the end of the season, are usually low in fresh provisions and such a gift is very welcome.

CHAPTER VII

LOCAL INDUSTRIES

THE POTTERIES

323 PEARLING is not the only ancient industry in Bahrain, for the presence
[138] in many parts of the islands of pottery sherds indicates that pottery has been made here for many centuries. Today this industry is restricted to the village of Aali whose inhabitants work in the same way as did their forefathers, scorning modern innovations.

[172] From the hills around Rifaa the clay is brought to Aali ; brown and red clay for the coarser objects and white clay for finer work. The raw clay is beaten and then mixed with water until it is ready for throwing by the younger members of the potter's family, for each pottery is a separate family concern. All the processes which go into the making of pottery take place in small sheds, in each one a potter can be seen at work, his feet in a pit working the wheel which is on a level with his waist. Rapidly he flings lumps of clay on to the spinning wheel and with deft fingers works the shapeless mud into graceful jars, bowls and other utensils. When each piece is completed it is set in the sun to dry before being taken to the oven. Most of the ovens
[172] are built in the prehistoric tumuli south of the village, which have been excavated. A hole is made in the roof of the tomb and another at the side; in the former the objects to be baked are placed and the latter is filled with firewood. When the fires are lit the tombs become miniature volcanoes with thick smoke belching from their peaks, slowly the fires die down, the smoke clears and the baked pottery is removed and the ovens are prepared for the next baking.

his intrigues, and was re-expelled, fleeing to Kuwait. He later travelled to Darin, where he built up a force with which he invaded Bahrain in September 1869, defeated and killed 'Ali at Rifaa and again became ruler of Bahrain. In Muhammad b. Khalifah's army he had as lieutenant Muhammad b. Abdulla, who had been expelled by the British from Dammam, and later in the year this Muhammad overthrew the new shaikh, imprisoned him, and made himself ruler.

The confusion caused in Bahrain by these troubles resulted in the appearance there of the British consul from Bushire in a man-of-war. The consul arranged for the deportation to Bombay of both the new shaikh and his imprisoned rival, and then consulted with local notables to see which member of the Khalifah family they would prefer to have as shaikh. The choice fell upon 'Isa, son of 'Ali b. Khalifah, who was at the time residing at Qatar, and he was summoned to Bahrain and acclaimed as its ruler. He reigned for fifty-four years till his abdication in 1923.

THE RULE OF SHAIKH 'ISA

From time to time during the remaining years of the nineteenth century the British Government rejected Turkish claims to sovereignty over Bahrain, as in the years 1870 and 1874, while at the same time the British took the opportunity to consolidate their power in Bahrain by means of two treaties signed between Shaikh Isa and the British Government in December, 1880, and March, 1892. By these treaties the shaikh bound himself not to enter into any relationship with a foreign government, other than the British, without the latter's consent, and there were also stipulations about the disposal of Bahrain territories. In 1902 a British Political Agent was posted in Bahrain, and in July, 1913, a Convention was signed by the British and Ottoman Governments, which included the recognition of Bahrain's independence and control of a number of islands near her. Three years later Ibn Sa'ud signed a treaty with the British Government in which he also agreed to refrain from aggression against Bahrain. In April and May of 1923 there were internal troubles in Bahrain which led to the abdication of Shaikh 'Isa and the succession of his son, Shaikh Hamed, who ruled for twelve years as deputy ruler, and on the death of Shaikh 'Isa in 1935 became Shaikh of Bahrain.

BAHRAIN IN RECENT YEARS

With the accession of Shaikh Hamed the story of modern Bahrain begins, and during the nineteen years of his rule Bahrain was transformed into a modern state. Conditions in the pearl industry were reformed, the position of the divers was bettered, municipalities, education and other public services were developed, as is described in other Chapters, and in many ways the state of the people of Bahrain was improved. In 1930 Shaikh Hamed signed a Concession Agreement with a company known as the Bahrain Petroleum Company, and three years later the first tanker-load of oil left Bahrain. The

361 and on the shore there is an old deserted fort which was built by the Omanis during a short period when they occupied the Islands. A [504] ferry service of small sailing boats plies between Muharraq and Arad fort, but to drive round the bay to the fort by car takes less time than crossing by boat.

396 Boat building is one of the few local industries of Muharraq and is carried out along the shores of the town, especially on the eastern coast. Carpenters and shipwrights are apt to extend their work half across the road and when driving a car one often has to avoid sails which are pegged out for joining or for repairs, rope winders, men mending nets or carpenters working on big wooden water tanks for the pearling dhows.

361 Many visitors to Bahrain never enter Muharraq and by failing to do so they miss the sight of a comparatively untouched Arab town, a 178 sight that is rapidly becoming rarer in the oil rich Persian Gulf.

HEDD

361 Bahrain's number three town is Hedd. Long and narrow, it is built on a strip of land which juts out into the sea at the south-east end of Muharraq Island. The houses are closely packed together and extend right to the edge of the sea, one road, only just wide enough for motor vehicles, runs through the centre of the town and on each side a labyrinth of narrow lanes leads down to the shore. There are few barastis in Hedd and most of the people live in stone houses; some of them are large, built by pearl merchants in the days when the pearl industry of which Hedd was an important centre, was flourishing. The bazaar is in the main street and it contains many shops which sell all manner of goods. Water is supplied to the town by several artesian wells.

[162] The population of Hedd is entirely Sunni and predominantly Arab, although a few of the shopkeepers are Persians. It includes Arabs of the Bin Ali, Saada, Mesedem and Musallam tribes who used to be very influential in Bahrain; the last were once the rulers of Qatar. Hedd was originally a diving town but although it still has much contact with the sea, many of its inhabitants work on shore. Its people have a reputation for intelligence and energy and this is shown by the fact that they have produced better results from their schools than any other community. The town is conspicuously clean, owing partly to the fact that it is surrounded by the sea on three sides.

363 Hedd has a handsome new police station, at the entrance to the 633 town, which was completed in 1952, a Municipality and Boys' and Girls' Schools which were opened in 1937 and 1939 respectively. For some years the Muharraq Municipality included Hedd in its activities but in 1945 Hedd formed its own elected Municipal Council with four members. There is also in Hedd a dispensary and a small women's hospital with accommodation for a certain number of in-patients.

226 Hedd is famous for its prawns which are caught in special traps and sent to the fish markets of Manama and Muharraq.

5: Bahrain G-5 (192[illegible]-1937) 1937 MZ2 Bahrain MZ2

SOCIAL AND POLITICAL DEVELOPMENT

Arabs and Baharna. There is a sharply defined difference in Bahrain between the urban and the rural population. The people of the towns, Manamah, Muharraq, and Hedd, are mostly Arabs and foreigners, traders, shop-keepers, pearl merchants, and landowners. The villagers, who are said to form about two-thirds of the total population, although there has never been a census in Bahrain, are the aboriginal Shia inhabitants of the islands, cultivators and fishermen, many of whom dive during the pearling season. There is a racial and religious difference between the two which is outwardly apparent in the appearance, the dress, and the speech of the people, especially in the case of the women. The Baharna, who used to own Bahrain, are now the tenants and servants of the Arab landowners and the Ruling Family, and there is no sympathy between them.

The Baharna. During the last ten years the life of the country people has altered very little, but their outlook has changed considerably. Though still suffering acutely from an inferiority complex, they have become more independent. They have learnt to resort to the Government when they consider themselves aggrieved, and they have shaken off the remnants of feudal obligation to individual members of the Ruling Family which they unwillingly bore in the past. They recognise and appreciate the advantages of a central government which has made it impossible for individual landlords to take the law into their own hands or to unduly oppress their tenants.

Another important political change is the marked decrease in the influence of the Shia religious leaders. The Shia Qadis used to be regarded, especially in the villages, as almost divine, but to-day their power has dwindled. This is mainly owing to the undignified dissentions among the religious leaders and the public exposure, after criminal proceedings, for misappropriation of trust money, of two Shia Qadis during recent years. The transfer of the wakf administration from the control of the Qadis to a council elected by the Shia community has also contributed towards the lessening of the influence of the Qadis. Instead of depending on the advice of the Qadis in all important and political matters, the country people now follow the lead of two or three politically minded merchants of Manamah whose ideas, though progressive, are not free from self-interest.

Living conditions among the Baharna have changed very little. They are still the poorest element in the community. Their villages are dirty, unhealthy, and insanitary, and physically they are below the standard of the Arabs. Although no statistics are available, it seems evident that there is a very high death rate among young children in the villages owing to unhealthy conditions and lack of medical attention. The diet of the people is mainly vegetables, fish, and a little rice and dates, but they spend more money on their clothes, because they need no longer fear that, if they are decently dressed, they will attract the cupidity of the local overlord. Although the average amount which they spend on marriage-money has decreased by over 50% in ten years, yet they still spend large sums on making the pilgrimage to the sacred cities of Iraq, which they regard as being as important as the pilgrimage to Mecca. In spite of the obvious poverty of the Baharna, the Ruling Family still believe that their tenants, when they fail to pay their rent, have large sums of money hoarded in their houses. This belief, in the past, was one of the reasons for the frequent attacks on Baharna houses and villages by armed followers of Khalifah landlords. For some years, however, crimes of this type have ceased to take place.

The Baharna take more interest in the doings of the outer world. Although most of them are illiterate when they come into Manamah or to the weekly markets, they listen to people discussing the news in the papers or what they have heard on the 'radios,' and they carry distorted and very inaccurate stories back to their houses and villages. In their general outlook the Baharna are many years behind the town dwellers.

The Townsfolk. Among the townspeople, particularly in the capital, there have been startling changes during the last ten years, both in the style of living and the outlook of the people. These changes have come from the people themselves and have not been forced upon them by the Government. This is especially noticeable

9: Bahrain G-5 (192? -1937) 1937 MZ2 Bahrain MZ2

369 in the case of the younger generation, who have passed through the schools. This generation has grown up under a regime of settled government and accepts as a matter of course the existence 178 of regular law courts, regulations, schools, municipalities, and other governmental institutions, though many of the comparatively recent innovations are still resented and occasionally opposed by the old conservative element, which looks back regretfully to the days of the past when, by a little influence with important people and a little judicious expenditure, they would usually get their own way and do as they liked. Education, facilities for easier travel, contact with foreigners, both at home and abroad, and the effect of newspapers, books, and broadcasting, which stimulate an interest in foreign affairs, are some of the chief causes of the changes among the people of Bahrain. Most of the changes are for the better, but the sudden influx of large numbers of Europeans belonging to the Oil Company, many of whom are unaccustomed to Eastern countries, has had minor but unfortunate results. Beggars, who in the past were comparatively unobtrusive, now throng the bazaars and thrive on the misplaced generosity of white people; and the Arab children in the streets of Manamah, who used to be well-behaved, now follow Europeans about the bazaars and make impudent remarks to them in English.

291 To-day, most of the young men in Manamah wear at least one article of European dress, 177 usually a coat, and European shoes are rapidly taking the place of sandals; socks are universally worn, and the more advanced young Arabs wear complete suits of European style, but retain their Arab headdress. Importers of second-hand clothes, ranging from tail-coats to Central European military uniforms, do a good trade. To-day, a young man wearing entirely Arab dress is usually a foreigner or one of the Shaikhs' retainers. Labourers in the oil field who work near machinery are compelled to wear shirts and trousers, and this has contributed to a large extent to the change in dress. Even among the women, there is a tendency to wear articles of European clothing, especially stockings and shoes.

511 Although there is still much poverty and unemployment in Bahrain, the general standard of living has improved, and the older men often complain that their sons are no longer content with the frugal diet of fish, rice, dates and, occasionally, meat, which was good enough for them when they were young. Bread is eaten much more than it used to be, and cheap tinned fruits and biscuits have become almost part of the regular diet in the houses of the middle and wealthy classes. The decrease in food prices has made it possible for poorer people to buy more food and to enjoy more variety. Ten years ago a bag of rice cost Rs 15.-; to-day it can be bought for Rs 11/-. The price of dates has fallen almost 50%, and the public can now buy cheap vegetable ghee instead of expensive clarified butter, which used only to be used by the wealthy classes. Before artesian wells were sunk, all water had to be bought, but to-day there is an artesian well in each district of the big towns, and women of the lower classes fetch their own water from the taps and cisterns. The water supply has encouraged cleanliness, as in the past, when all water had to be bought, there was little washing or bathing except by men in the sea during the summer.

The municipalities have done much to improve conditions, both by cleaning the streets, passing regulations affecting public health, and by building markets where meat, fish, and vegetables are sold under the supervision of municipal inspectors, who are also responsible for inspecting the abattoir. These officials visit the coffee shops and 'hotels' and report cases of the sale of bad meat or stale food to the public.

342 **Houses.** In Manamah there has been a great improvement in the style of buildings. A number of small, sanitary, and well-ventilated houses have been built by private persons for letting purposes. Though the rooms are smaller than those in the old-fashioned houses, the construction is better, the importance of proper foundations is appreciated, and cement and steel beams are universally used. A few years ago the use of steel beams was considered, locally, extremely dangerous. Most of the new houses are equipped with electric light and have adequate sanitary arrangements. By degrees the 'barasti' type of house, built of palm branches, is decreasing, and its place is being taken by stone houses which are more permanent, more healthy, and less liable to catch fire or to collapse during storms.

252 Houses are more elaborately equipped. Formerly a few mats and one or two carpets were sufficient furnishings for the Majlis of a merchant; but now, in most middle-class houses, there

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still that of feudal chiefs, though the feudal feeling no longer exists among the people of Bahrain. They consider it their right that they should be well provided for financially by the State, and they resent any suggestion that they should add to their incomes by doing work. They are still the biggest landowners in Bahrain, but by draining their property dry, and not spending any money on improvements, their property has deteriorated in value. They regard any real work as degrading, and only accept posts on courts or councils for the sake of obtaining more money, not because it is incumbent on them, as members of the Ruling Family, to occupy public positions. Their attitude in this respect is a contrast to that of the merchant class in Bahrain, who are unusually public minded and who freely give up much of their time to sit on courts and committees and councils.

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The Women.

Among the women, too, there have been changes, but they are more gradual than among the men. Every step towards emancipation is firmly resisted by the older female members of the households, but in spite of this there is a definite feeling among the younger women that they should have more freedom. Their ambition, at present, is not to take any part in public matters, but to be able to go out more frequently. They are becoming restive of the restrictions of the purdah system. Some are now educated, and a few have travelled abroad in Syria, Persia, India, and Iraq, and there they have seen the changes which are taking place in the life of the women of those countries. Many who have never been out of Bahrain read newspapers and listen to news on wireless sets, and frequently meet Indian and Syrian women in Bahrain. All this causes them to feel unsettled.

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One of the notable recent changes is that nowadays a great many young men only marry one wife, not because they cannot afford to support more wives, but because they prefer monogamy. The younger men are no longer ashamed of mentioning their wives and talking about their families, and many of them take their wives out with them in cars. A few years ago, if a man was seen with a woman in his car, one could be quite sure that she was not his wife. The modern young men look for wives who are educated, and frequently marry Persian or Iraqi girls because they received better education. One of the effects of education among the women in Bahrain is that they learn to keep their houses clean and they appreciate the value of hygiene, which is taught at school. Education also makes them willing to employ qualified doctors, especially at childbirth, when, in the past, they would have been treated by local Arab untrained midwives who are dirty and dangerous, and whose use of the notorious salt method is undoubtedly responsible for an enormous number of casualties among children and pregnant women.

Changes are taking place all over the Gulf, but of the Arab States, Bahrain is changing most rapidly. The most conspicuous visible changes in comparing Bahrain to-day and ten years ago are in the capital, where a person returning to the country would notice the wider streets, better buildings, and a decrease in straw huts, trees, gardens and more vegetation, large shops selling European goods, motor traffic, European dress worn by natives, increasing use of machinery, partly owing to installation of electric power, knowledge of English language, and a far greater interest being taken in outside world affairs.

8:Qubain S-S (1952-53)1955 MZ2 Bahrain MZ2

An interesting development in recent years is the stress of the dominant group, the Sunnis, on the unity and brotherhood of all Muslims and Arabs. In 1950, when the second census was made, it was planned to count the two groups separately. This proposal, however, was construed as a British scheme to divide the Muslims and set them against each other. Strong objections were made by both groups, but primarily by the Sunnis, to the government and consequently this aspect of the census was abandoned. No such objections were raised during the census only nine years earlier.

Two factors can perhaps account for this rather nascent stress on unity: emerging nationalism and new economic forces. The conception of nationality is a Western contribution and a new arrival in the Persian Gulf. In Bahrain it is still a vague idea and certainly has not replaced to any degree the existing loyalties. It manifests itself in two ways: first, negatively in a desire to expel the foreigner (this has considerable appeal: it is concrete, intellectually easy to grasp, can be used as a rallying cry, and above all does not conflict with established social patterns); and second, positively, in a confused ideal of a pan-Arab, pan-Islamic union. No clear distinction is drawn between the two last concepts and the terms are used interchangeably. It must be admitted, however, that the pan-Arab aspect of the ideal predominates. This new spirit of nationalism has had the effect of creating a greater emphasis on unity among the native population. Furthermore, through this intellectual device the two groups can now present a common front against foreigners to protect their rights and interests, whether real or imaginary.

The new economic force for unity is the oil industry. On the surface things seem as they have always been. In fact a change, subtle and hard to detect, has taken place. The oil industry, as indicated previously, has opened the doors of employment to the Shi'is. This has resulted in bettering slightly their economic condition and consequently their relative status vis-à-vis other groups. Furthermore, such employment has meant that they are no longer restricted to agriculture. They can now sell their labor and skills as everyone else in a wider and more favorable market. On the job at the company installations, Shi'i and Sunni are brought together as laborers or artisans and placed on the same footing. For the first time in their history it has become possible for individuals from both groups to collaborate in certain areas of action, not as Shi'is or Sunnis, but as members of an economic group.

THE JEWS

A third native religious group is the small Jewish minority comprising about 250 persons. Its members are well known for their industry, their higher standard of living, their higher rate of education, and their amenability to Western influences. They are exclusively engaged in trade and money changing.

3:Royal Institute of International Affairs U-4 (no date)1954 M1 Middle East
Bahrain MZ2

called 'Red Line' agreement of 1928,[1] was unable to agree to conditions that IPC was in a position to dictate; it therefore sold its option to the Standard Oil Company of California. After negotiations in which the British Government and the American State Department both took a hand, the Bahrain Petroleum Company (BAPCO), a subsidiary of Standard Oil, registered in Canada, was allowed to take up the concession provided that, to conform to Britain's prior agreements with the Shaikh, it employed a considerable number of British subjects. In 1936 the Texas Company acquired a 50 per cent interest in BAPCO. These details are given to explain why the present company is Canadian by nationality and American by management, and employs a large proportion of British staff. The two American companies concerned are two of the four participants in Aramco.

Oil was first discovered in Bahrain in 1932 and first exported in 1934. Production was suspended during the Second World War, but since then it has risen to a steady level of 11 million barrels per year. A refinery was erected before the war, and has (since the Abadan refinery ceased to put through its daily 550,000 barrels) been stepped up to a throughput of over 200,000 barrels per day; it includes a catalytic cracking unit for high octane fuel. It is fed both with BAPCO's own production of oil from the Bahrain field and by a 12-inch under-sea pipeline from Aramco's wells in Saudi Arabia. The jetty for loading tankers lies off Sitra Island on the seaward side of Bahrain Island itself.

Originally, the Shaikh enjoyed the same royalty rate as his neighbour in Kuwait—3 rupees and 4 annas a ton, or 14 cents a barrel. In 1951 reports of the new agreements reached by his neighbours caused him to ask for equality of treatment. In 1952, therefore, he signed a new agreement with the company which established the fifty-fifty profit-sharing arrangement now universal on the Gulf. He also enjoys a payment on each ton of Saudi Arabian oil passing through his territory to the refinery. His revenue has risen relatively less than that of his neighbours because the volume of oil produced in Bahrain has for some years been virtually stationary; nevertheless earnings from oil have risen from $1·4 million in 1948 to $3·8 million in 1951 and $6·3 million in 1952, and three-fourths of Bahrain's national income is now derived from petroleum activities. The social and economic changes brought about by this increased wealth are not so spectacular in Bahrain as elsewhere because

[1] See R. F. Mikesell and H. B. Chenery, *Arabian Oil* (Chapel Hill, University of N. Carolina Press, 1949).

3:Royal Institute of International Affairs U-4 (no date)1954 M1 Middle East
BahrainMK2
QatarMK3

so much that was orderly and progressive had been done already. In the days of Shaikh Hamad (1923–42) conditions in the pearl industry had been reformed, and municipalities, education, and other public services had been developed. These are now being further expanded. The state provides free medical services for all its people and free education in primary and secondary schools and in a technical school; in 1953 there were 4,700 boys and 2,300 girls at school, at a budget cost of 2½ million rupees per annum.

Socially, the impact of good employment in the oil company has been more widespread in Bahrain than in Kuwait, firstly because of the much longer period during which the company has been operating and secondly because it policy, unlike that of the Kuwait Oil Company, is to transport its local workers daily from homes in neighbouring towns instead of constructing a special township near the oilfield. Both policies present certain advantages; one effect of the former is to integrate the oil company into the daily life of the state. Yet there are so far no Bahrainis in BAPCO's senior administrative grades since all local men of this calibre have so far preferred to find jobs in commerce, with its prospects of a larger and speedier return for effort. As in Kuwait, more and more well-to-do merchants are sending sons abroad for education and it is an open question how these will react to the autocratic rule of a family in years to come.

The unit of currency in Bahrain is the Indian rupee. Imports constituted in 1952 about double the value of exports and re-exports (£14·6 million as against £7·4 million). More than half the latter were to Saudi Arabia, the balance chiefly to Qatar and to Persia with which, despite Persia's shortage of hard currency, there continues to be a considerable volume of barter trade.

QATAR

The Shaikhdom of Qatar comprises the peninsula of that name, lying midway along the western coast of the Persian Gulf. It has an area of about 8,000 square miles with a population of some 25,000. From a dangerous coast-line the land rises to a low, monotonous plateau. The main water-supplies are from wells. Its only land frontier—that with Saudi Arabia—has never been demarcated.

Qatar has been in relations with Great Britain since 1882. An agreement with Britain of 3 November 1916 had provisions similar to those with the other Trucial shaikhs, and included a clause making the grant of pearling concessions or other mono-

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one went to the Sheikh for the maintenance of his household and family; one was for current Government expenses and development projects; and one for investments abroad as a reserve for future contingencies. With the increase in income—directly from oil revenue and indirectly from customs duties—as a result of the Company's activities, Government services increased and a number of development projects were undertaken. By 1951 there were three hospitals on the islands—the American Mission Hospital and the Company hospital mentioned above, a Government hospital for men and women operated by a British staff, including a section for the mentally ill—as well as a number of municipal clinics. General health conditions were not good: malaria and other fevers and dysentery were prevalent; bilharzia, trachoma and hookworm took a heavy toll; and above all, a large proportion of the population was infected with venereal diseases. Medical services were supplied to every Bahreini free of charge.

Though there had been some educational facilities before the development of the oil industry,[22] it was not until 1934 that the Government engaged a number of Iraqi teachers and enlarged the facilities. By 1951 there were nine elementary schools, one secondary school, founded in 1940, and one school for girls opened in 1939, all tuition-free. The schools were staffed with 258 teachers, who instructed some 6,000 boys and girls. The Government, in conjunction with the Company, also provided scholarships to graduates of the secondary schools for study abroad.

The Government built roads, bridges, harbors and a large airport; water was supplied from artesian wells instead of being brought in by boat; and efforts were made to improve housing conditions. Though without a single newspaper in 1951, Bahrein had a broadcasting station, built in 1940 for Allied war purposes, a dial telephone system, forty miles of roads and 2,000 automobiles. Most of the streets of the main towns were electrically lighted, and a sewerage system had been installed. The net result was a higher standard of living for the Bahreinis, not only in comparison with their own pre-oil standard, but also with the people of the neighboring states.[23]

[22] In 1926 there was one school for boys only, and it was poorly attended. James Bell, "He Said Forward! to the Backward," *Life*, Nov. 17, 1952.

[23] U.N., *Summary 1952-53*, 58-59; Sanger, *The Arabian Peninsula*, 148-149;

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652 There have also been other implications. The Sheikh, the
651 Government and the people have become increasingly, in fact almost exclusively, dependent on the oil. In 1932 the entire government budget was about $143,600; in 1951 the total government revenue was $5,271,000, of which approximately 61 per cent came from oil and 34.9 per cent from customs duties,[24] which must be considered an indirect result of the oil industry. In 1953 the Government revenue was derived 68 per cent from oil, 24 per cent from customs duties, and 5 per cent from [464] interest on the reserve fund.[25] The oil boom also created in-458 flationary pressures which caused many Bahreinis to seek em-471 ployment in other oil-producing areas in the Gulf. Because of ● 178 its central location, the I.P.C. subsidiary, Petroleum Concessions Ltd., which held concessions in Qatar and on the Trucial coast, had made its Gulf headquarters in Bahrein and built large offices and houses for its staff. Bahrein had become a resort and shopping center for the oil employees, especially Americans and Europeans, in Saudi Arabia and Qatar. These not only added to the inflationary pressures, but so greatly increased the social vices of gambling, drinking, prostitution and their concomitants as to cause grave concern to those responsible for the health and welfare of the population.[26]

185 The Bahrein islands are limited in area and in resources; oil,
652 in a more definitely limited quantity than that of any of the other areas in the Gulf, is the only resource supporting the Sheikh, the Government and its extended services, and also to a considerable degree the people at large. Though perhaps originally a little more advanced than some of their neighbors, the people of Bahrein, prior to the discovery of oil, had a low standard of living and consequently a very low standard of governmental and social services. When the pearling industry suffered a serious setback as a result of the world depression and the development of cultured pearls, Bahrein was in a desperate situation. With the arrival of the Bahrein Petroleum Company,

aroughy, *The Bahrein Islands*, 20 *et passim*; "Oil and Bahrein," *The World Today*, VII, 77-79, Feb., 1951; Bell, *loc. cit.*

[24] Bahrain Petroleum Company, Limited, *Bahrain 1952* (pages not numbered).

[25] Angus Sinclair, "The Resources and Their Potentialities. III, Petroleum and Minerals," in *Middle East Resources Problems and Prospects* (Washington, 1954). 46. The 68 per cent of the revenue directly from oil did not include the one-third which went to the Sheikh.

[26] "Oil and Bahrein," *The World Today*, VII, 79, 81-83, Feb., 1951; Faroughy, *The Bahrein Islands*, 20 *et passim*.

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the islands entered a new era. Governmental services, education, health, housing, sanitation and other services gave the Bahreinis one of the best living standards of the area. This was the result not only of the income derived from the Company—although the Company contributed directly to the raising of the standards and the direct revenue from its operations made these improvements possible—but was primarily due to the Government's determination to utilize the income for constructive purposes. This achievement must be ascribed first to the British Government which (in spite of all disclaimers) controls the government of the Sheikh, and, secondly, to the Sheikh's adviser, J. H. W. Belgrave. It was no doubt the British Government's decision to divide the revenue from the oil into three parts, allowing the Sheikh only one-third, earmarking another third for current expenses and general development, and leaving the rest to be invested. This is perfectly illustrated by the Government's expenditure budget for 1953.[27]

But with the improvements also came drawbacks; a serious breakdown in social and religious loyalties, and an alarming rise in the social vices. Education deteriorated to an emphasis on those subjects which guaranteed employment in the petroleum industry. It has been observed that some Bahreini students know more English, even though only superficially, than Arabic; the eagerness for employment caused many parents to take their children out of school long before their graduation even from primary school. Yet even with this limited education and the experience of employment with Bapco, some of the workers began to show symptoms of discontent. They demanded that the Company allow trade unions in its operations, and that Bahreinis have more control over the Company.[28] All in all, considering the conditions of the islands and the general stage of the people's development, one must conclude that the discovery of oil has brought Bahrein pros-

[27] Government operating expenses including administration, courts and public protection, $707,000 (9 per cent); health and education, $1,464,000 (18 per cent); public works, $1,453,000 (18 per cent); two capital works projects—gas supply for the city of Manama and a deep water terminal, $1,260,000 (15 per cent); surplus for investment, $2,846,000 (36 per cent). Sinclair, *loc. cit.*, 46.

[28] In July 1954 it was reported that a general strike had been proclaimed in Bahrein, directed against the ruler, Sir Salman Bin Hamad Al Khalifah, for failure to reform the despotic regime. The strikers demanded that a commission be set up to examine reforms, including improvements of public health and education facilities. *Daily Telegraph* (London), July 12, 1954.

64: Shwadran S-4 (no date) 1955 M1 Middle East
Bahrein M22

178 perity and a higher standard of living, and that the oil revenue there has been better employed than in other areas. The credit for that must go to the British Government and the British adviser to the Sheikh.[29]

471 What of the Bahrein Petroleum Company? As mentioned above, Standard of California paid $50,000 to the Gulf Corporation for the concession. Bahrein's capitalization was $100,000. At the end of 1947, H. M. Herron, chairman of the Board of Directors, testifying before the Special Senate Committee Investigating the National Defense Program, stated that the Company's earned surplus was $55,472,255. In addition, it had paid-in capital surplus of $28,191,709 and surplus reserves of $8,705,779. From its organization until 1947 it had paid no dividends.[30]

The reason for these enormous profits was given by Mr. Herron when he reluctantly revealed to the Committee that the cost of producing a barrel of oil in Bahrein, including royalties paid to the Sheikh, was about 25 cents.[31] If crude was selling in the Persian Gulf at the time at $1.05—$1.15 a barrel, that would have produced a profit on each barrel of 80-95 cents.

Caltex, Bapco's subsidiary marketing company, was organized in the Bahamas in 1936 with a capitalization of $1,000,000. As of December 31, 1946, ten years later, it had an earned surplus of $17,192,529, and a paid capital surplus of $8,195,144. No dividends were paid.[32]

[29] For Belgrave's contributions to the achievements in Bahrein, see Bell, *loc. cit.*, and the many articles and books by Belgrave himself. A more ideal picture of the adjustment of the Bahreinis to the new conditions resulting from the oil development is presented in Bahrain Petroleum Company, Limited, *Bahrain 1952*.

[30] U. S. Senate, *Hearings Saudi Arabia*, 25030-25031. Senator Owen Brewster, chairman of the Committee, intimated that had dividends been paid to the parent companies, the latter would have had to pay U. S. taxes. Faroughy states that in 1945 the Bahrein Petroleum Co. estimated that its consolidated net profit for the year, after taxes and all other costs had been deducted, was approximately $10.5 million. In 1946 profits were estimated at $23 million. The total investment, according to Faroughy, was not more than $65 million. *The Bahrein Islands*, 45.

[31] U. S. Senate, *Hearings Saudi Arabia*, 25022.

[32] U. S. Senate, *Hearings Saudi Arabia*, 25029-25030. The earnings for the years 1942-1946 were 1942, $1,903,520; 1943, $686,673; 1944, $1,457,509; 1945, $2,416,362; 1946, $1,469,245. While the Bahrein Petroleum Company was a Canadian corporation registered in the British Empire, Mr. Herron admitted that Caltex could have been an American corporation. The inference drawn by Senator Brewster was that it was registered in the Bahamas only to escape United States taxation, and that for the same reasons no dividends were distributed. The Government of the Bahamas does not tax corporations, and the Canadian Government taxes only declared dividends. *Ibid.*, 25016-15018.